

filed, then such district director upon request of such subsidiary will furnish it with a copy of any notice of deficiency in respect of the tax for a consolidated return year for which it was a member and a copy of any notice and demand for payment of such deficiency. The filing of such written notification and request by a corporation shall not have the effect of limiting the scope of the agency of the common parent provided for in paragraph (a) of this section and a failure by such district director to comply with such written request shall not have the effect of limiting the tax liability of such corporation provided for in § 1.1502-6.

(c) *Effect of waiver given by common parent.* Unless the district director agrees to the contrary, an agreement entered into by the common parent extending the time within which an assessment may be made or levy or proceeding in court begun in respect of the tax for a consolidated return year shall be applicable:

(1) To each corporation which was a member of the group during any part of such taxable year, and

(2) To each corporation the income of which was included in the consolidated return for such taxable year, notwithstanding that the tax liability of any such corporation is subsequently computed on the basis of a separate return under the provisions of § 1.1502-75.

(d) *Effect of dissolution of common parent corporation.* If the common parent corporation contemplates dissolution, or is about to be dissolved, or if for any other reason its existence is about to terminate, it shall forthwith notify the district director with whom the consolidated return is filed of such fact and designate, subject to the approval of such district director, another member to act as agent in its place to the same extent and subject to the same conditions and limitations as are applicable to the common parent. If the notice thus required is not given by the common parent, or the designation is not approved by the district director, the remaining members may, subject to the approval of such district director, designate another member to act as such agent, and notice of such designation shall be given to such district director. Until a notice in writing des-

ignating a new agent has been approved by such district director, any notice of deficiency or other communication mailed to the common parent shall be considered as having been properly mailed to the agent of the group; or, if such district director has reason to believe that the existence of the common parent has terminated, he may, if he deems it advisable, deal directly with any member in respect of its liability.

(e) *Cross-references*—(1) *Alternative agents.* For rules relating to alternative agents of the group, see § 1.1502-77.

(2) *Groups that include insolvent financial institutions.* For further rules applicable to groups that include insolvent financial institutions, see § 301.6402-7 of this chapter.

[T.D. 6894, 31 FR 11794, Sept. 8, 1966, as amended by T.D. 7323, 39 FR 34409, Sept. 25, 1974; T.D. 7673, 45 FR 8588, Feb. 8, 1980; T.D. 8226, 53 FR 34733, Sept. 8, 1988; T.D. 8446, 57 FR 53034, Nov. 6, 1992]

§ 1.1502-77T Alternative agents of the group (temporary).

(a) *General rules*—(1) *Scope.* This section applies if the corporation that is the common parent of the group ceases to be the common parent, whether or not the group remains in existence under § 1.1502-75(d).

(2) *Notice of deficiency.* A notice of deficiency mailed to any one or more corporations referred to in paragraph (a)(4) of this section is deemed for purposes of § 1.1502-77 to be mailed to the agent of the group. If the group has designated an agent that has been approved by the district director under § 1.1502-77(d), a notice of deficiency shall be mailed to that designated agent in addition to any other corporation referred to in paragraph (a)(4) of this section. However, failure by the district director to mail a notice of deficiency to that designated agent shall not invalidate the notice of deficiency mailed to any other corporation referred to in paragraph (a)(4) of this section.

(3) *Waiver of statute of limitations.* A waiver of the statute of limitations with respect to the group given by any one or more corporations referred to in paragraph (a)(4) of this section is

deemed to be given by the agent of the group.

(4) *Alternative agents.* The corporations referred to in paragraph (a) (2) and (3) of this section are—

(i) The common parent of the group for all or any part of the year to which the notice or waiver applies,

(ii) A successor to the former common parent in a transaction to which section 381(a) applies,

(iii) The agent designated by the group under § 1.1502-77(d), or

(iv) If the group remains in existence under § 1.1502-75(d) (2) or (3), the common parent of the group at the time the notice is mailed or the waiver given.

(b) *Effective date.* Paragraph (a) of this section applies to statutory notices and waivers of the statute of limitations for taxable years for which the due date (without extensions) of the consolidated return is after September 7, 1988.

[T.D. 8226, 53 FR 34733, Sept. 8, 1988]

§ 1.1502-78 Tentative carryback adjustments.

(a) *General rule.* If a group has a consolidated net operating loss, a consolidated net capital loss, or a consolidated unused investment credit for any taxable year, then any application under section 6411 for a tentative carryback adjustment of the taxes for a consolidated return year or years preceding such year shall be made by the common parent corporation to the extent such loss or unused investment credit is not apportioned to a corporation for a separate return year pursuant to §§ 1.1502-21(b), 1.1502-22(b), or 1.1502-79(c) (or §§ 1.1502-79A(a), 1.1502-79A(b), or 1.1502-79(c), as appropriate). In the case of the portion of a consolidated net operating loss or consolidated net capital loss or consolidated unused investment credit to which the preceding sentence does not apply, and in the case of a net capital or net operating loss or unused investment credit arising in a separate return year which may be carried back to a consolidated return year, the corporation or corporations to which any such loss or credit is attributable shall make any application under section 6411.

(b) *Special rules—*(1) *Payment of refund.* Any refund allowable under an application referred to in paragraph (a) of this section shall be made directly to and in the name of the corporation filing the application, except that in all cases where a loss is deducted from the consolidated taxable income or a credit is allowed in computing the consolidated tax liability for a consolidated return year, any refund shall be made directly to and in the name of the common parent corporation. The payment of any such refund shall discharge any liability of the Government with respect to such refund.

(2) *Several liability.* If a group filed a consolidated return for a taxable year for which there was an adjustment by reason of an application under section 6411, and if a deficiency is assessed against such group under section 6213(b)(2), then each member of such group shall be severally liable for such deficiency including any interest or penalty assessed in connection with such deficiency.

(3) *Groups that include insolvent financial institutions.* For further rules applicable to groups that include insolvent financial institutions, see § 301.6402-7 of this chapter.

(c) *Examples.* The provisions of paragraphs (a) and (b) of this section may be illustrated by the following examples:

Example (1). Corporations P, S, and S-1 filed a consolidated return for the calendar year 1966. P, S, and S-1 also filed a consolidated return for the calendar year 1969. The group incurred a consolidated net operating loss in 1969 attributable to S-1 which may be carried back to 1966 as a consolidated net operating loss carryback. If a tentative carryback adjustment is desired, P, the common parent, must file an application under section 6411 and any refund will be made to P.

Example (2). Assume the same facts as in example (1) except that P, S, and S-1 filed separate returns for the calendar year 1969, even though they were members of the same group for such year. S-1 incurred a net operating loss in 1969 which may be carried back to 1966. If a tentative carryback adjustment is desired, S-1 must file an application under section 6411 and any refund from such application will be made to P.

Example (3). Corporations X, Y, and Z filed a consolidated return for the calendar year 1966. Z ceased to be a member of the group in 1967. Z filed a separate return for 1968 while